

Meeting Date:

11/18/08

# AGENDA REPORT

City of Santa Clara, California

Agenda Item #

7A-5



**Date:** November 14, 2008

**To:** City Manager for Council Action

**From:** Director of Finance

**Subject:** Santa Clara Convention Center and Convention/Visitor's Bureau (SCCC-CVB) First Quarter Activity Report FY2008-09 as Submitted by the Santa Clara Chamber of Commerce and Convention Visitors Bureau

## EXECUTIVE SUMMARY:

Submitted for City Council review and acceptance in a combined format is the SCCC-CVB First Quarter Activity Report FY2008-09 as submitted by the Santa Clara Chamber of Commerce and Convention/Visitors Bureau. Submission of the report is required under the management agreement for the operation of the Santa Clara Convention Center and the agreement for convention and visitors services.

As mentioned in the attached report, the First Quarter Financial Results (Results) of the Santa Clara Convention Center (SCCC) show year-to-date revenues at \$200,474 higher than the budget. The favorable revenue variance consists of favorable variances in the space rental, catering income, and telephone revenue categories and unfavorable variances in the equipment rental, audio visual, and other revenue categories. The Results also show year-to-date expenses at \$7,338 lower than the budget. Of the \$7,338 favorable variance, \$1,286 was attributable to labor related expenses and \$6,052 was attributable to operating expenses. The above revenue and expense variances combined for a year-to-date SCCC favorable budget variance of \$207,812 as of September 30, 2008. Actual loss for the quarter was \$417,372, less than the budgeted loss of \$625,185.

## ADVANTAGES AND DISADVANTAGES OF ISSUE:

The SCCC-CVB First Quarter Activity Report FY2008-09 provides current information on the business activities of the Santa Clara Convention Center and Convention/Visitors Bureau.

## ECONOMIC/FISCAL IMPACT:

Acceptance of this report will have no fiscal impact to the City

## RECOMMENDATION:

That the City Council accept the Santa Clara Convention Center and Convention/Visitor's Bureau First Quarter Activity Report FY2008-09 as submitted by the Santa Clara Chamber of Commerce and Convention Visitors/Bureau.

Mary Ann Parrot  
Director of Finance

APPROVED:

  
Jennifer Sparacino  
City Manager

## Documents Related to this Report:

1) Santa Clara Convention Center and Convention/Visitors Bureau First Quarter Activity Report



CHAMBER OF COMMERCE & CONVENTION-VISITORS BUREAU

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RECEIVED

OCT 31 2008

City of Santa Clara  
Accounting Services

October 31, 2008

Ms. Mary Ann Parrot  
Director of Finance  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

Dear Ms. Parrot:

Attached is the First Quarter of the FY 2008-09 Report, encompassing the months of July, August, and September 2008. If you have any questions about the report, please let me know.

Regards,



Steve Van Dorn  
President & CEO

cc: Jennifer Sparacino, City Manager  
Rod Diridon, Jr., City Clerk  
City Council Members  
Lisa Moreno, General Manager  
Bill Benaderet, Assistant General Manager  
David Andre, Vice President of Marketing and Communications  
Annette Manhart, Vice President of Convention Sales, Marketing and Services



# CHAMBER OF COMMERCE & CONVENTION-VISITORS BUREAU

October 31, 2008

The Honorable Mayor and City Council  
 City of Santa Clara  
 1500 Warburton Avenue  
 Santa Clara, CA 95050

Dear Mayor and Council:

Following is a report of the activities for the First Quarter of the 2008-09 Fiscal Year, encompassing the months of July, August, and September 2008 at the Santa Clara Convention Center, combined with a report of the Convention-Visitors Bureau for the same period.

<b>CONVENTION CENTER</b>				
<b>Activity Summary</b>				
<b>TYPE</b>	<b>08/09</b>	<b>07/08</b>	<b>ATTENDEES</b>	<b>EVENTS HELD</b>
Conventions	11	9	8,400	Denali Software, Art of Living, American Contract Bridge, Scrapbook Expo, Bay Area Christian Church, Information Gatekeepers, National Miss America Pageant, Mentor Graphics, Secure World, Diskon/IDEMA and Zend Technologies
Trade Shows	5	8	8,800	Wedding Fair, Nurseweek Publishing, Northern California Plant Engineering, San Jose Bird Mart, and At One Place.com
Public Shows	12	9	12,500	Gem Fair, Dance Masters, Bytes and Notes, San Jose Art and Cultural Society, Dance Arts Academy, San Jose Mercury News, San Jose Art and Cultural Society, Miss Vietnam Northern California, The Warehouse Sale, Home Show, San Jose Mercury News and Mystique Events
Meetings	73	65	24,402	
Banquets	11	13	4,175	
<b>Totals</b>	<b>112</b>	<b>104</b>	<b>58,277</b>	

Revenue – 1st Quarter			
08/09	07/08	Budget	Variance
\$788,453.37	\$555,918.00	\$555,918.00	\$200,474.22

Year-to-date catering revenue is above budget by \$100,605.87. Audio-visual revenues are below budget by \$17,326.35. Telecommunications is above budget by \$5,335.64 and Space Rental is above budget by \$127,100.52. Equipment rental revenue is below budget by \$7,937.75.

Total Expenses – 1st Quarter			
08/09	07/08	Budget	Variance
\$1,205,826.03	\$1,184,436.04	\$1,213,164.16	(\$7,338.13)
Operating Expenses			
08/09	07/08	Budget	Variance
\$278,849	\$300,995.95	\$284,900.28	(\$6,051.53)
Total Labor Expenses			
08/09	07/08	Budget	Variance
\$926,977.28	\$883,440.09	\$928,264	\$1,286.60
<b>Net Loss:</b>	<b>\$417,372.66</b>	<b>\$625,185.01</b>	<b>\$207,812.35</b>

The higher total expenses can mainly be contributed to cost of living increases and the increase in labor based on higher business levels.

First quarter revenues of \$788,453.37 and expenses of \$1,205,826.03 have produced a net loss of \$417,372.66 or **\$207,812.35 less than** the budgeted loss of \$625,185.01.

**Projects:** Completed administration corridor lighting project. Replaced 24 units with more efficient energy saving fixtures. Fire alarm system upgrade continues on schedule and should be completed within the next six to eight months. Ballroom expansion is on budget and on schedule to open in June 2009.

#### Second Quarter 2008-09 Fiscal Year Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	8	9,650	ITC/IEE, Child Neurology, Intel, LA Dance Force, Faith Formation Conference, Kelsey Group, EH Publishing and Assembly of God
Trade Shows	6	11,600	Pacific International Quilt Festival, The RTC Group, Expos Unlimited, Advance TCA Summit, New Era Senior Lifes and Global Semiconductor Alliance
Public Shows	5	2,500	Sterling Dance, Hollywood Vibe, Friends of Hue Foundation, Dance Masters of California and Center of Persian Language Perservations
Meetings	52	26,770	
Banquets	30	21,550	
<b>Total</b>	<b>101</b>	<b>72,070</b>	



## CONVENTION AND VISITORS BUREAU

**Convention Sales/Marketing Department:** In the first quarter, sales and marketing staff exhibited and/or attended: DMAI Conference in Las Vegas, NV, CESSE Conference in Detroit, Michigan, ASAE Tradeshow in San Diego, CA, MPI-WEC in Las Vegas, NV and sales calls in Sacramento, and to Helms Briscoe, Longay Guitar Fest, Dance Masters, Tri Valley CVB and Global Investures. The CVB conducted 13 site inspections of the City for future convention business.

	1st Qtr 08-09	1st Qtr 07-08	% Difference		1st Qtr 08-09	1st Qtr 07-08	% Difference
<b>Leads</b>	69	99	-30%	<b>Bookings</b>	29	33	-12%
<b>Attendees</b>	84,475	93,593	-10%	<b>Attendees</b>	51,750	46,830	-11%
<b>Room Nights*</b>	69,564	82,767	-16%	<b>Room Nights*</b>	16,544	28,655	-42%

As can be seen by the year to year comparisons, we are beginning to see the affects of the slowing economy. Many of our clients are holding off on making decisions until they start to see some positive trends. Thanks to a very experienced and excellent sales team, we will continue to bring new meeting business to the City of Santa Clara.

\*Hotel room nights represent only those hotel rooms that are "blocked" and no projections are made of room nights that come in after the block is cut off by hotels or for those delegates or exhibitors who utilize hotels not included in the blocks.

**Convention Services Department:** The Convention Services Department registration staff provided 828.0 hours of on-site registration services compared to 440.0 hours in the first quarter of last year.

**Travel Marketing and Communications Department:** The Travel Marketing and Communications Department in the First Quarter attended the DMAI Conference in Las Vegas, NV, SYTA annual conference, and No. CA Hotel & Lodging Conference in San Jose

The department fulfilled 1,499 visitor requests for information from the internet, mail, telephone and advertising inquiries and generated 322 hotel room nights through [www.santaclara.org](http://www.santaclara.org). There were a total of 120,007 unique user sessions on [www.santaclara.org](http://www.santaclara.org).

The department produced the July/August, September/October newsletters for the Chamber of Commerce and Convention-Visitors Bureau, Convention Center ballroom expansion flyer, Group Tour brochures, enhanced and re-designed CVB website's Hotel Package section to include links back to each individual hotel's package booking engine and also new Meeting Planner's page, updated Facebook and MySpace web pages, and PowerPoint presentation for Los Angeles presentation.

This concludes our 2008-09 First Quarter report for the Convention Center and Convention-Visitors Bureau. Thank you for your continued support of our activities.

Regards,

  
Steve Van Dorn  
President & CEO

